



Dept. of Professional & Financial Regulation
Office of Licensing & Registration
MAINE REAL ESTATE COMMISSION
35 State House Station Augusta ME 04333-0035



AGENCY RELATIONSHIPS

*This form provides a consumer guide to agency relationships in a real estate transaction.
Maine law requires that it be given to all prospective residential buyers/sellers.*

WHO IS A CLIENT?

A client is a person who establishes an agency relationship with and agrees to be represented by an agent in a real estate transaction.

A **Seller** becomes a client of a real estate company by entering into a listing agreement with a licensee associated with a company. Depending on the type of property and the agreement, the listing may or may not be in writing. However, it is generally a good idea to have the agreement in writing so that the terms and the obligations of both the seller and the licensee/company are clearly established.

A **Buyer** becomes a client of a real estate company by entering into a buyer representation agreement with a licensee associated with a company. Although not required, it is generally a good idea to have the agreement in writing so that the terms and the obligations of both the buyer and the licensee/company are clearly established.

WHO IS AN AGENT?

An **Agent** is the licensee who by mutual agreement will act on your direction and represent your interests above all others in a real estate transaction.

Acting on your behalf, your agent will employ his/her best efforts to negotiate the best price and terms in a real estate transaction. Your agent owes utmost loyalty to you, the client, and must pass on to you any information he or she knows which might influence your decision to buy or sell. You can rely on your agent to preserve confidential information provided by you. You can expect to receive timely accounting of money or property related to and received during your relationship with your agent.

WHAT IS A DUAL AGENT?

In certain situations, a licensee may act as an agent for and represent both the buyer and the seller in the same transaction. This is called **dual agency** since one agent represents both parties and both parties remain clients of the company. The possibilities and consequences of dual agency representation must be explained to you by the licensee. *Both the buyer and the seller must consent to this type of representation in writing.*

Working with a dual agent is not the same as having your own exclusive agent. For instance, when representing both a buyer and a seller, the dual agent must not disclose to one party any confidential information obtained from the other party. Also, a dual agent may not be the advocate for either party and cannot negotiate for nor advise as to the price or terms of the transaction.

It is important that you discuss dual agency with the licensee in order to understand the limits of representation that a dual agent can provide. If the company you are working with practices disclosed dual agency, you must determine whether or not you would be willing to agree to limited representation by your agent.

DO YOU WANT TO BE A CUSTOMER OR A CLIENT?

Do you want to only receive information and assistance from a real estate licensee (in which case you would be a **Customer**) or do you wish to be represented by a licensee (in which case you would be a **Client**)? A licensee is *not required* to represent either the buyer or the seller. To understand your options, discuss this issue with the real estate licensee with whom you are working. It is important to you and the licensee that your working

relationship with the licensee be established and acknowledged and that you are aware of the services the licensee will or will not provide. Not all companies offer the same choices for representation. At your discretion, it may be advisable to obtain legal or other professional advice that you believe is necessary to protect your interests.

THIS FORM IS NOT A CONTRACT

It is important for you to know that this form is not a contract. The licensee's completion of the statement below acknowledges that you have been given the information required by Maine law regarding agency relationships so that you may make an informed decision as to the relationship you wish to establish with the licensee/company.

TO BE COMPLETED BY LICENSEE

This form was presented on Mo ____ Day ____ Yr ____

to _____
Name of Buyer(s) or Seller(s)

by _____
Licensee's Name

on behalf of _____
Company/Agency